

# Trendlines



July/August 2010

*Perspectives on Utah's Economy*

## ANSWERS

to your FAQs  
about Utah's  
Economy  
and labor market  
information

ALSO:

Why is the Government Always  
Revising Data?

What's the Truth About Utah Women  
in the Labor Force?



Department of Workforce Services

## ***Trendlines***

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# **Trendlines**

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# Revising Utah's 2009 Economic Performance

**Q:** *How is the Utah economy currently performing compared to what we forecast six months ago?*

**A:** It is basically acting as was forecast. The large-scale employment losses have come to an end, and the economy appears to be, at worse, stabilizing—not yet showing any significant amount of job gains or reversals of previous job losses—or at best, starting to finally add jobs again. That is pretty much what the forecast was for this time period as of six months ago, so thus far, all seems on track.

Previously, we read the economy by assuming the bottom of the recession to have occurred in late summer 2009. Although the national panel of economists who determine the beginning and end of recessions has not yet said so, I believe they will eventually put the bottom of the 2007-2009 recession in that late-summer 2009 period. That is the low point of both the United States' and Utah's employment slide. Historically, the bottom of the employment slide lines up amazingly close to when this

panel of economists has named previous recessions over.

Maybe a case can be made that the recession is over, but the affects and psychology of that recession are not yet behind us; not until the economy reawakens and starts to aggressively add jobs again. Unfortunately, that may not happen in 2010. There are still too many residual and hangover affects from the deepest recession in the post-World War II era to just say; "Okay, all gone, I feel better now, let's party again." The party leading up to that downturn was lavish, and there are industries and institutions still hurting, and possibly not destined to feel better for quite some time.

So what should we do? The only thing to do is hang in there, be patient, be thankful for the job you have, and wait until the medicine kicks in and relieves this hangover. But sometimes time and rest are the only cure for a "good" hangover. ①



*The* only thing to do is hang in there, be patient, be thankful for the job you have, and wait until the medicine kicks in and relieves this hangover.

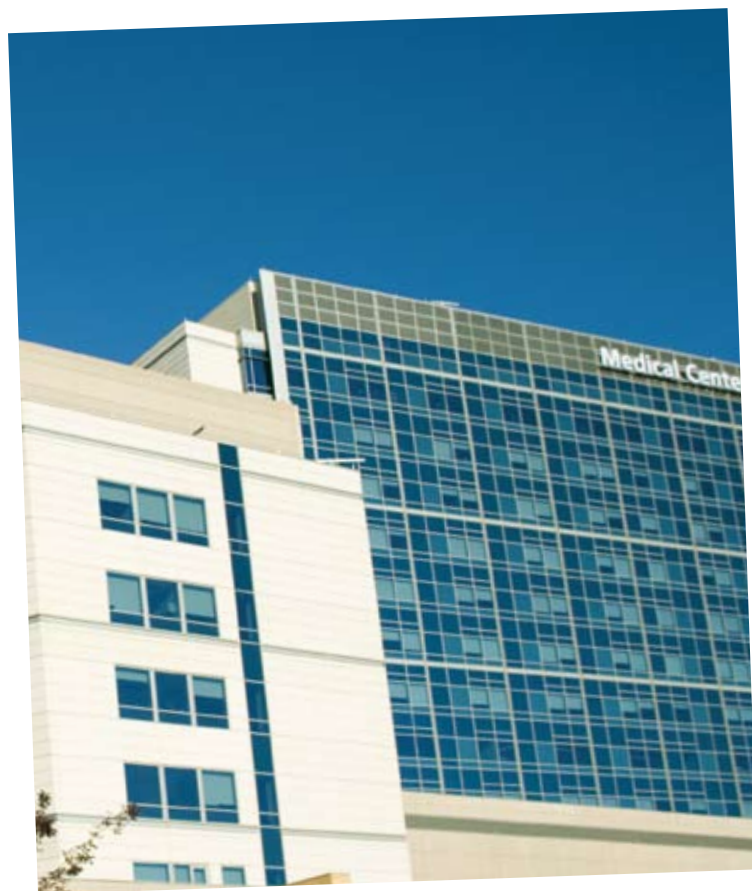
## Did you know...

- Utah's home construction is on the rise, according to data released by the Bureau of Economic and Business Research at the University of Utah. <http://www.deseretnews.com/article/700031298/Home-construction-on-the-rise-in-Utah.html>
- Pinnacle Security, an Orem-based company that sells residential and commercial security systems, is looking to hire 300 people for its call center operations. [http://www.sltrib.com/business/ci\\_15055779](http://www.sltrib.com/business/ci_15055779)
- City officials are hoping to lure a commercial airline to the underused Provo Municipal Airport in the next 18 months. <http://www.deseretnews.com/article/700031546/Provo-airport-hopes-to-land-commercial-airline.html>



# What We Do: Industry vs.

There are two major ways a particular job is counted, by industry—according to the type of good produced or service provided, and by occupation—according to the tasks or work activities performed.



## Industries

Jobs are grouped into a particular industry at the work site or establishment. Everyone who works in a hospital, for example, is part of the hospital industry. This includes not only healthcare workers, such as doctors and nurses, but also office managers, accountants, receptionists and janitors.

All work sites or establishments are slotted by the product produced into the appropriate industry using the North American Industry Classification System (NAICS). Under NAICS all industries fall into either goods-producing or service-providing sectors.

The goods-producing sectors are:

- Natural resources and mining
- Construction
- Manufacturing

The service-producing sectors are:

- Trade, transportation, and utilities
- Information
- Financial activities
- Professional and business services
- Educational services
- Health care and social assistance
- Leisure and hospitality
- Government (federal, state, and local)

Listed above are the broad groupings or industry “supersectors.” There are many more detailed industry sub-groupings under each of these supersector headings.

In order to make some sense of the economy and labor market, it is necessary to quantify and classify the many data items that can be collected, putting similar items into categories that can be recorded, summarized, and charted. One of the most important areas of the economy where information is gathered and categorized is the jobs that people have—what it is they do.

# Occupation

## Occupations

A job is assigned into a particular occupation according to common tasks or work activities performed. From the previous hospital example, everyone who works in a hospital is part of the hospital industry.

The hospital example includes accountants. All workers who perform similar accounting tasks and work activities are classified as accountants. Accountants, as an occupation, are found in virtually every industry. Other occupations are found only within a specific industry, such as a surgeon, classified under the healthcare industry.

Occupations are grouped and categorized using the Standard Occupational Classification (SOC) system. There are over 600 different occupations defined in the SOC system, which are grouped into the following ten major categories.

- Management, business, and financial
- Professional and related
- Service
- Sales and related
- Office and administrative support
- Farming, fishing, and forestry
- Construction trades and related
- Installation, maintenance, and repair
- Production
- Transportation and material moving

Jobs are examined as part of economic activity historically, currently, or with future projections and forecasts. Making some sense of the complexities of the labor market requires organizing, simplifying, and categorizing. As this is done we make an important distinction between what is produced where people work—the industry—and what duties are performed where people work—the occupation. ⓘ



*For more detailed information on NAICS and SOC classification systems consult the following:*

North American Industry Classification System (NAICS)—  
<http://www.census.gov/eos/www/naics/>

Standard Occupational Classification (SOC) system—  
<http://www.bls.gov/soc/>

# Let's talk SIZE of Firm

This issue of Trendlines is dedicated to the "Frequently Asked Questions" genre. Rarely do we talk about the labor market dimension of size. And size in this context means employment size, or the number of workers. We collect much information from companies in Utah including employment, industry, occupation, total payroll wages, and location. This article analyzes Utah employers in this different context, the employment size of the firm.

## How Do We Count—Firm or Establishments?

First, some definitions are needed so we can compare apples and apples. You will see data in the news on firms, establishments, or companies in the context of industry or area. "Firm" means all the establishments of that firm in an area. "Establishment" means the physical locations of the firms. For example, all the 7-Eleven's in Weber County constitute one firm but have many physical locations (establishments or worksites). We count both. In this analysis we look specifically at establishments (physical worksites) in Utah. That count of establishments in 2009 was 83,264. The count of firms was 67,339.

## Employment Size Groups

Establishments are grouped into employment size classes. In our publication on size (see link on page 9) we

use the company's March employment (company employment varies throughout the year but March tends to be most stable). These size classes start at zero (no employees in March) and increase in size increments (1-4, 5-9, 10-19, 20-49, 50-99 and so on up to 1000+). The graph shows the size groupings used in this article. For ease of understanding, the smallest three size classes have been summed into a 0-9 size class, and everything 500 and over combined into one very large size class.

## Lots of Companies, Very Little Employment, and Vice Versa

A whopping 75-percent of all the establishments in Utah account for just 14 percent of all the jobs in the state. That's right, 62,000 of the 83,000 establishments each employ fewer than 10 workers. Those companies claim a 13-percent slice of total wages paid in Utah. On the other end of the size spectrum, the top 0.2 percent (174 companies) claim nearly 20 percent of total employment and 23 percent of all dollars on Utah payrolls.

In between these small and extra-large companies are the rest, and they fall into five size classes. They account for what's left; that is 25 percent of the firms and two-thirds of all workers, and 65 percent of total wages.

## Does a Company's Industry Have Anything to Do With the Employer Size?

Yes and no. Different industries are larger, or smaller than others. Business activity that requires more workers will obviously have a higher average size. Government in general (federal, state, and local) averages about 60 employees per location. That sounds high, but remember government establishments tend to be centralized, so would be larger. Private educational institutions also are larger by nature and have a high average employment size. The average size of company for all industries is 14.4 workers, and the average employment size for the private sector is 12.3 workers. Industries that have the smallest average sizes were real estate and rental/leasing companies, construction, and professional and business services.





## Average Establishment Employment Size by Major Industry 2009

	Average Employment Size
Government	59.9
Educational Services	32.4
Manufacturing	29.9
Utilities	22.1
Mining	19.9
Accommodation and Food Services	19.8
Transportation and Warehousing	19.0
Information	17.9
Health Care and Social Services	17.0
Total Nonfarm Employment	14.4
Private Sector	12.3
Finance and Insurance	10.1
Trade	7.8
Other Services	7.6
Professional and Business Services	6.3
Construction	5.9
Real Estate and Rental and Leasing	3.6

Source: Utah Department of Workforce Services

## Average Establishment Employment Size by County in Utah 2009

County	Average Employer Size	County	Average Employer Size
Weber	16.5	Iron	10.9
Tooele	15.9	Uintah	10.4
Salt Lake	15.8	Duchesne	10.3
Cache	15.2	Washington	10.3
Box Elder	15.1	Summit	10.0
Carbon	14.6	Beaver	9.2
Utah	14.5	Garfield	8.3
STATE TOTAL	14.4	Kane	8.3
Davis	13.9	Grand	7.9
Emery	13.6	Wayne	7.4
Sanpete	12.9	Wasatch	7.0
Sevier	12.1	Morgan	6.6
Juab	11.9	Daggett	6.1
San Juan	11.7	Rich	5.0
Millard	11.1	Piute	4.9

Source: Utah Department of Workforce Services

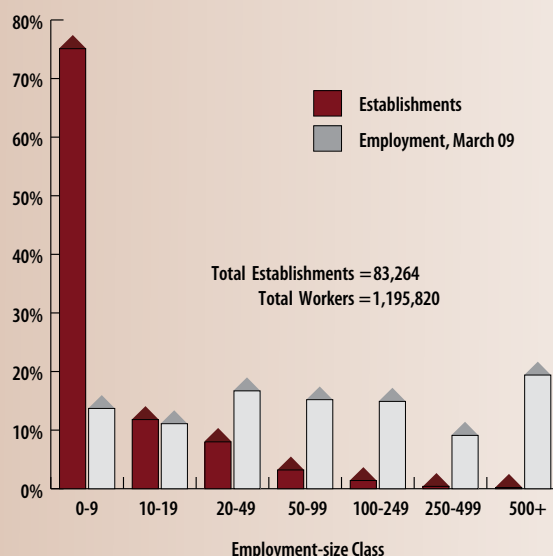
### Is There a Relationship Between Rural and Urban in the Size of Firm Perspective?

Yes, small rural counties have smaller establishments. Typically, the largest employers in rural areas tend to be in a dominant industry like natural resources (mining), the local hospital, and the local school district. In Utah, the top five counties ranked by average employer size all had 15 or more workers. The state average is 14.4 workers. Interesting to note is Weber County has the highest average size with 16.5 workers per company. The three smallest, and rural, counties in the state—Daggett, Piute, and Rich—also have the smallest average size with six or fewer workers. ⓘ

For more information about Utah companies by employment size see:

<http://jobs.utah.gov/opencms/wi/pubs/em/ueews/>

### Utah Employment By Establishment Size 2009



Source: Utah Department of Workforce Services

A small number of employers employ a huge proportion of Utah's workers.

75% of all Utah establishments employ fewer than 10 workers. They employ 14% of all workers.

At the other end of the spectrum, only 0.2% or 174 of Utah's employers employ more than 500 workers, but they employ about 20% of all Utah workers. Large firms dominate Utah's employment environment.

## Regional Economic Growth and the Economic Base Concept

# Q: How do regional economies grow?

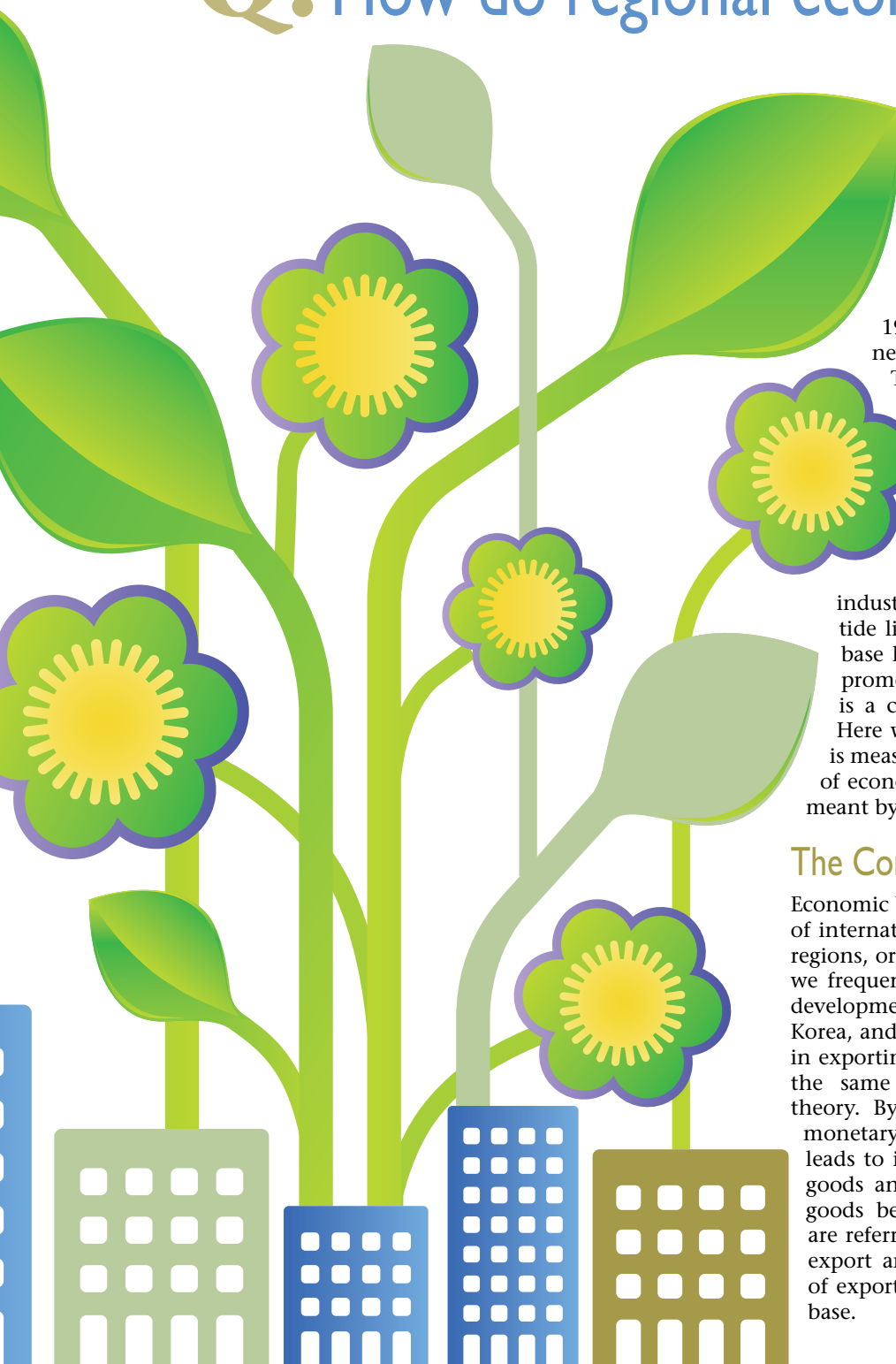
# A:

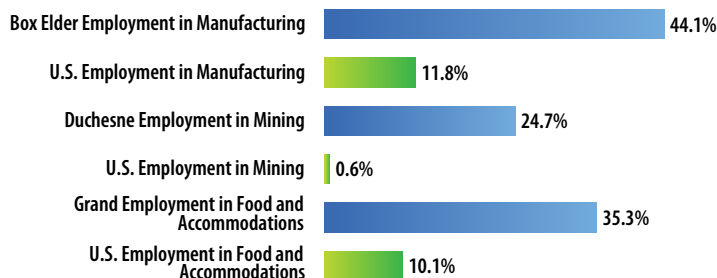
One theory suggests that it all depends on the growth of the economic base. Economic base theory originated in the 1920s as a method by which city planners could guide economic development. The theory is still popular today, even though it is more often applied to regions and counties.

Economic development analysts are interested in knowing the economic base because the economic well-being of a region can depend largely on the success of the basic industries. Just like the notion, “a rising tide lifts all boats,” growth of the economic base lifts all of the non-basic industries. So, promoting the success of the economic base is a central concern of economic planners. Here we will look at how the economic base is measured and how it is used to classify types of economies, but first we must define what is meant by “economic base.”

### The Concept of an Economic Base

Economic base theory is essentially an application of international trade theory to individual states, regions, or counties. In the business news media, we frequently see that the remarkable economic development in countries such as Japan, South Korea, and Singapore is attributed to their success in exporting goods and services. This is precisely the same concept underlying economic base theory. By exporting goods out of the region, monetary payments flow into the region, which leads to increased demand for locally produced goods and services. The industries that export goods beyond the boundaries of their region are referred to as basic, while those that do not export are referred to as non-basic. The group of exporting industries makes up the economic base.





## Comparison of Selected County and U.S. Employment Percentages by Industry 2008

Source: Bureau of Labor Statistics

Box Elder County		Duchesne County		Grand County	
Percentage of Box Elder Employment in Manufacturing	44.1%	Percentage of Duchesne Employment in Mining	24.7%	Percentage of Grand Employment in Food and Accommodations	35.3%
Percentage of U.S. Employment in Manufacturing	11.8%	Percentage of U.S. Employment in Mining	0.6%	Percentage of U.S. Employment in Food and Accommodations	10.1%
Location Quotient	3.74	Location Quotient	41.17	Location Quotient	3.50

Source: Bureau of Labor Statistics

## Types of Economic Bases


In theory, just about any type of economic activity could be classified as basic. However, a few activities that are most often found to be basic to regions are manufacturing, natural resource extraction, leisure and hospitality, and retirement-oriented industries. Box Elder County is an example of a region whose base is manufacturing. The natural resource extraction industries are basic to Carbon, Duchesne, Emery, and Uintah counties. Grand and Kane counties are examples of regions with the leisure and hospitality industries as their economic bases. Even though there is not exactly a single industry we would call "retirement services," Washington County is a popular destination for retirees, and their Social Security and retirement income represents a monetary inflow for the county.

## Location Quotients and the Economic Base

Identifying the economic base for a region is not always straightforward. Figuring out which firms export their goods and which do not requires data

that is not readily available for most regions. One solution, however, is to use location quotients.

A location quotient provides a measure of how specialized a county is in the production of a particular good or service. The higher the degree of specialization, the more likely the industry is an exporter. An example will make the concept clear. Box Elder County devotes 44.1 percent of its total employment to manufacturing, while only 11.8 percent of all workers in the U.S. are employed in manufacturing (see graph).

This indicates that Box Elder County is relatively specialized in the production of manufactured goods. The location quotient gives an exact measure of this specialization and it is found by simply dividing Box Elder County's percentage of manufacturing employment by the United States' percentage of manufacturing. The result is a location quotient of 3.74, which simply means that the percentage of manufacturing employment in Box Elder County is 3.74 times the percentage of manufacturing employment in the U.S. (see table). 

Are you wondering what the economic base is for your county? The Bureau of Labor Statistics has a location quotient calculator on their web site along with a tutorial for how to use it. To get there, just use the following link: <http://www.bls.gov/data/#calculators>

*Revisions arise when the original survey estimations are replaced by the more comprehensive unemployment insurance counts further down the road.*

## Q: Why is the Government Always Revising Data?

**A:** Why does the federal government seemingly always revise economic data? Because it is part of a plot to frustrate and keep you off balance. So one may think. But actually, the reason the government often revises data is because you and I are relatively impatient. We want whatever information the government can gather as quickly as possible, even if not all of the data has yet been gathered. Time is of the essence, even more so than quality.

If you haven't surmised by now, economic data comes into the federal government's domain at a somewhat measured pace. Typical government, right? Functions at the pace of a snail. In many cases, it is not the government's bureaucratic fault, but is instead, the nature of the programs through which the government collects data.

For example, the U.S. Bureau of Labor Statistics (BLS) is charged with quantifying the nation's job count. There is a great conduit in place in each state for BLS to accomplish this comprehensive employment count. It is each state's unemployment insurance program—the one that provides laid-off workers with unemployment benefits. This is a program run by the states, not the federal government.

It works like this. At the end of a calendar quarter—say January, February, and March—in early April the states send out forms to all their employers who hire workers, who then report back the earnings of those workers for the unemployment insurance program. It is a wonderfully


thorough way to count people in jobs. Just tabulate the job counts that the businesses send back. But it takes time to get all those forms returned and tabulated. Businesses have better things to do than to fill out the government form as soon as they get it. Because of how comprehensive this can be, it can take until July or August to get a good grasp of the employment levels for January, February, and March. But being impatient as we are, this delay will not do. So what to do?

Do a survey in the meantime—and that BLS does. The ongoing BLS monthly employment and unemployment report, eagerly awaited by the media and the investment community (Wall Street), is nothing more than the results of a survey. But surveys are only built to get within the ballpark. It is the more comprehensive employment counts yet to come through the unemployment insurance programs that will be the real measure of the nation's employment.

So where do the revisions come in? They arise when the original survey estimations are replaced by the more comprehensive unemployment insurance counts further down the road. If the survey did a good job, the revisions are minimal. But surveys come with an inherent error range, and sometimes the revisions can be noticeable.

Why not just forget surveys and wait for the real data? Because of the nature of people—we want it all and we want it now. Since that is the case, we will have to live with revisions. 🕒





## Government data elements that see revisions:

- Employment
- Unemployment
- Gross Domestic Product
- Unemployment Insurance Claims
- Retail Sales
- Home Sales
- Corporate Profits
- Exports
- Personal Income
- Consumer Expenditures
- Industrial Productivity



As the primary purveyors of all labor market data in the state, when not analyzing the data and writing about the data, we are commonly out of our offices talking about it. We feel very passionate about the role of labor market information in decision-making at many different levels. So, not only do we want the public to be aware of our data, we'd also like it to be understood and used effectively. We encourage data users to ask questions, and thankfully, we get many. While some of our information is straightforward and easy to understand, some is not. Because of that, we have a few recurring questions.

ALL THE THINGS

# You've Wanted to Ask

ABOUT LABOR MARKET  
INFORMATION

**Q:** *Why is your data always so old?*

**A:** I will tackle this one first because it is probably the most common question. The simple answer is that quality takes time. Some of our data comes from quarterly employment reports submitted by employers to the unemployment insurance program. When the quarter ends, employers are given a period of time to fill out their reports. Then it is up to our team of analysts to catch any mistakes on the reports. Keep in mind that almost every employer in the state submits a report, so our analysts are reviewing over 67,000 reports. Once they are satisfied the data is clean, then we are able to analyze and report the data.

Other data is collected through surveys. In this case, there is also time taken to review and edit the data. Unlike the unemployment insurance data however, the surveys are voluntary. The analysts who collect this data often have to convince employers to respond to the survey, which takes time. And, while we ask employers to respond promptly, we often have to follow up to remind them to reply.

These processes are time-consuming, but in the end, you can trust that the numbers we report truly reflect the Utah economy.

An editorial note: In this day and age, technology allows us to receive continuous information updates. You can know what your friend is doing every second of every day if she 'Tweets'. In some cases, continuous information updates are valuable because the information changes dramatically from second to second. This is not always the case with labor markets. Ask yourself, for example, how often your wages have changed while in a single job. For most it's probably yearly



or even less frequently. So, even if we were able to update our occupational wages more than once a year, it's highly unlikely the statistics would show significant or meaningful fluctuations.

**Q:** *What's the difference between median and average? Which is the better measure?*

**A:** Both are considered measurements of central tendency, but they are not the same. I'll illustrate using an example. Suppose we have five observations of hourly wages for a particular occupation:

**\$8.50   \$8.50   \$8.75   \$8.95   \$24.25**

To get the average (or mean) of these wages, add the values and divide by the number of observations. The result is \$11.79. To find the median, order all the observations from smallest value to largest (as I have done here) and find the middle observation. In this case the third observation is the middle, so the median is \$8.75. The calculated values of the two statistics, \$11.79 and \$8.75, are quite different. The average was affected by the value of the fifth wage, which is rather different from the other four. The median, however, is not affected by the value of the fifth wage, and that is why it more closely represents the majority of the reported wages. In short, when your goal is to come up with a single number that best represents a set of many numbers, especially when you may have outliers, it's usually best to use the median. This is often the case with occupational wages and income.

**Q:** *What's the difference between the job growth rate and the unemployment rate? Which should I use?*

**A:** Essentially, the job growth rate represents changes in the number of jobs in the economy as reported by employers, whereas the unemployment rate tracks changes in the number of people who are in the labor force, but do not have a job. Each of the statistics is a primary measure of the labor market, but uses different data sources to estimate those measurements. To get a complete picture of the trends in an economy, it's best to use the rates together. In doing so, you gain a more complete picture. Keep in mind that the job growth rate is a coincident measure of the economy, while unemployment rates follow economic recovery.

## THE PROCESSES

to provide labor market information are time-consuming, but in the end, you can trust that the numbers we report truly reflect the Utah economy.



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**Q:** *Why don't you provide more localized data?*

**A:** The bottom line is data availability. In sparsely populated regions of the state there simply aren't enough workers and businesses to make valid estimates about the local labor market. And above all else, we absolutely must maintain confidentiality for employers and workers around the state. If, as an extreme example, Amy's Plumbing is the only specialty trade contractor in a local area, then reporting the employment and wages for that industry in that location would reveal information about Amy's payroll. Also, funding is a consideration. We simply don't have enough resources to adequately survey sparsely populated areas.

**Q:** *What is seasonal adjustment and why is some data seasonally adjusted?*

**A:** Seasonal adjustment is a statistical technique applied to trend data that essentially strips away the fluctuations caused by seasonal patterns. Seasonal patterns can be seen in industries such as tourism, construction, and retail trade. When seasonal patterns are stripped out of a data series, it is easier to see trends in the data that aren't necessarily expected to happen on a regular basis.

**Q:** *Where can I get information about labor supply?*

**A:** Labor supply is fairly difficult to measure. On the surface it appears to be a straightforward concept: the number of available workers in a labor market. So, for example, if you want to know how many accountants are available in Salt Lake City, it would seem that a simple head count would reveal the answer. But the question is, who do you count? The unemployed accountants? But what about the employed accountants who are willing to work for another employer? Do they count as "available workers"? And what about the individuals who have the credentials to be accountants, but have moved on to other careers? It is possible that they too would be "available" to supply the Salt Lake accountants' labor market. What about accountants that live in Ogden, or Seattle? In addition, most of us could probably work as a cashier. Should we all be counted as the labor supply for cashiers?

These are some of the most common questions we field as we share our labor market information with the public, but they certainly don't cover all of the nuances of our data. If you have questions, please contact an economist here at DWS to help you find your answer. ⓘ



IF YOU HAVE questions about Utah's economy, don't hesitate to contact one of our economists at the e-mail address listed below.

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# Utah Department of Workforce Services

## Back to Work Initiatives

DWS is trying to get people back to work, and here are two ways we're doing that.

### **Employer Hiring Incentive**

The Department of Workforce Service (DWS) is developing an initiative to provide Utah employers with an opportunity to re-employ approximately 3,700 Utah workers. DWS is targeting two groups of unemployed job seekers: 2,500 Unemployment Insurance (UI) claimants making no more than \$15 per hour in their last job, who are currently receiving UI benefits, and 700 unemployed 18-to-24 year-olds. A wage subsidy of up to \$2,000 per participant, for a maximum of three months will be provided to the employer for each employee hired. This provides us with a unique opportunity to leverage our resources, stimulate job growth, and help ensure the UI trust fund remains solvent.

American Reinvestment and Recovery Act (ARRA) TANF funds will be the primary funding source for this program. Participating employers may be able to combine this program with the recently enacted federal "Hiring Incentives to Restore Employment" (HIRE) act that provides a temporary waiver of the employer's 6.2% share of Social Security taxes for each newly hired worker between February 3rd and December 31<sup>st</sup> of 2010; and up to a \$1,000 general business tax credit for each worker retained for one year.

### **Re-employment and Eligibility Assessment (REA) Grant**

The Department of Workforce Services was awarded a \$1.3 million federal grant from the U.S. Department of Labor on April 15, 2010, to assist unattached Unemployment Insurance (UI) claimants most likely to exhaust their UI benefits. The five basic components included are:

- 1) An online UI eligibility review and orientation of services self-assessment
- 2) One-on-one job-search assistance from trained re-employment counselors
- 3) Receipt of current labor market and career information
- 4) Assistance in developing an employment plan, including workshops and/or training, and
- 5) Integration of re-employment services with the UI system, as a condition of UI eligibility.

To apply for these programs, please see your nearest DWS Employment Center:  
<http://jobs.utah.gov/regions/ec.html> ⓘ



# Q: What's the Truth about Utah Women in the Labor Force?

## A:

Somehow we have this belief that Utah women are extraordinarily different from the rest of the nation when it comes to participation in the labor force. While we're a little bit different (every state is), we're not all that different. In fact, some of the differences may surprise you.

### **FACT OR FICTION?**

Most Utah women remove themselves from the workforce to look after their children.

**FICTION.** Utah's labor force participation rate (the percent of the female population over the age of 16 in the labor force) registers 62 percent—higher than the national average of 60 percent. That's partially because Utah has such a young labor force and young women are more likely to work outside the home. However, consider this—despite having larger-than-average families:

- 59 percent of married women work.
- 59 percent of mothers of preschool children work.
- 74 percent of mothers of school-age children work.

- 53 percent of mothers of preschool and school-age children work.
- 77 percent of women with no children work.

In other words, most women work—regardless of parental or marital status. On the other hand, Utah mothers do tend to work at a slightly lower rate than the national average—a situation almost definitely related to our large family size.

**FACT OR FICTION?** Utahns are better educated than their national counterparts.

**FACT AND FICTION.** Utah men are significantly more likely to have a Bachelor's degree than their national male counterparts. Utah women are not. That wasn't always the case. Prior to 1980, Utah showed a higher percentage of female college graduates than the United States. But in the last 30 years, Utah women have lagged behind the national average. In fact, Utah has the largest male/female gap in college education of any state in the nation. In addition, the Utah education gap more than doubles that of the next closest state (see chart). Since education pays off in wages, this undoubtedly accounts for Utah's large male/female wage gap—one of the largest in the nation.

**FACT OR FICTION?** Utahns are very family-oriented and tend to have more intact families.

**FACT AND FICTION.** We are family-oriented. But, while a larger share of the Utah adult population is married, the state typically shows a higher divorce rate than the U.S. Since 1965, Utah's divorce rate has measured less than the national average in only two years. The reality is, we're more likely to marry and remarry, but also more likely to divorce. In addition, divorce rates are calculated as a percentage of the total population. So, Utah's divorce rate is understated because such a large portion of our population is under the age of 18. Perhaps this propensity to divorce results from Utah having the lowest median age at the time of first marriage of any state in the nation.

**FACT OR FICTION?** Utah women can blame their larger-than-average wage gap with Utah men on discrimination. (The median earnings for Utah women working year-round, full-time measures only 69 percent of the median earnings for comparable Utah men.)

**FACT AND FICTION.** Most of the wage gap between Utah men and women can likely be explained by two facts:

- Utah women don't get as much education as Utah men.
- Utah women choose lower-paying occupations than do Utah men.

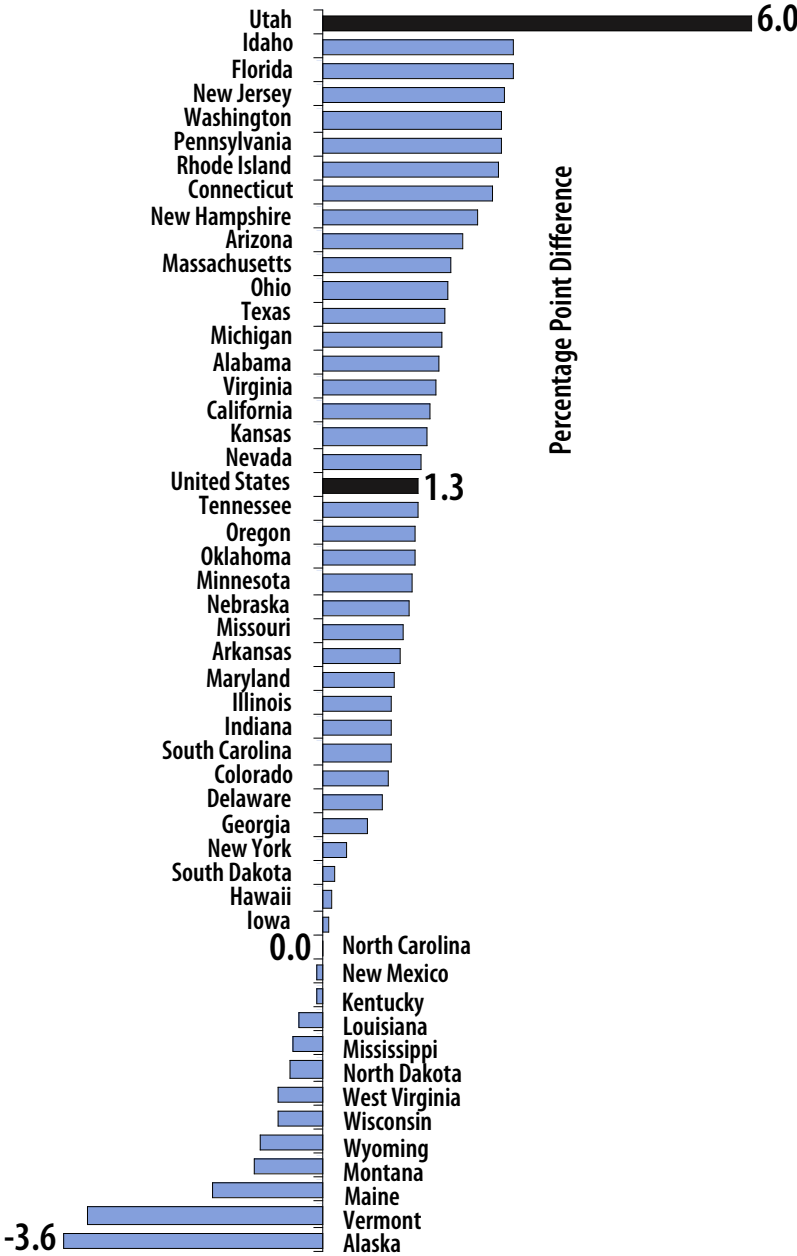
Utah women are less likely to enter occupations that pay well—particularly in those that require math and science

background—than U.S. women (who make their own share of low-paying job choices).

Other demographic factors also weigh in: women tend to have more career interruptions, have less experience on the job, and work fewer hours. However, no reputable studies have been able to completely account for the wage gap between men and women suggesting that gender discrimination does indeed still exist. ❶

# Difference

in the Share of Adult\* Males/Females with at Least a Bachelor's Degree



## For more information

about Utah women in the workforce, see: <http://jobs.utah.gov/opencms/wi/pubs/hardatwork>



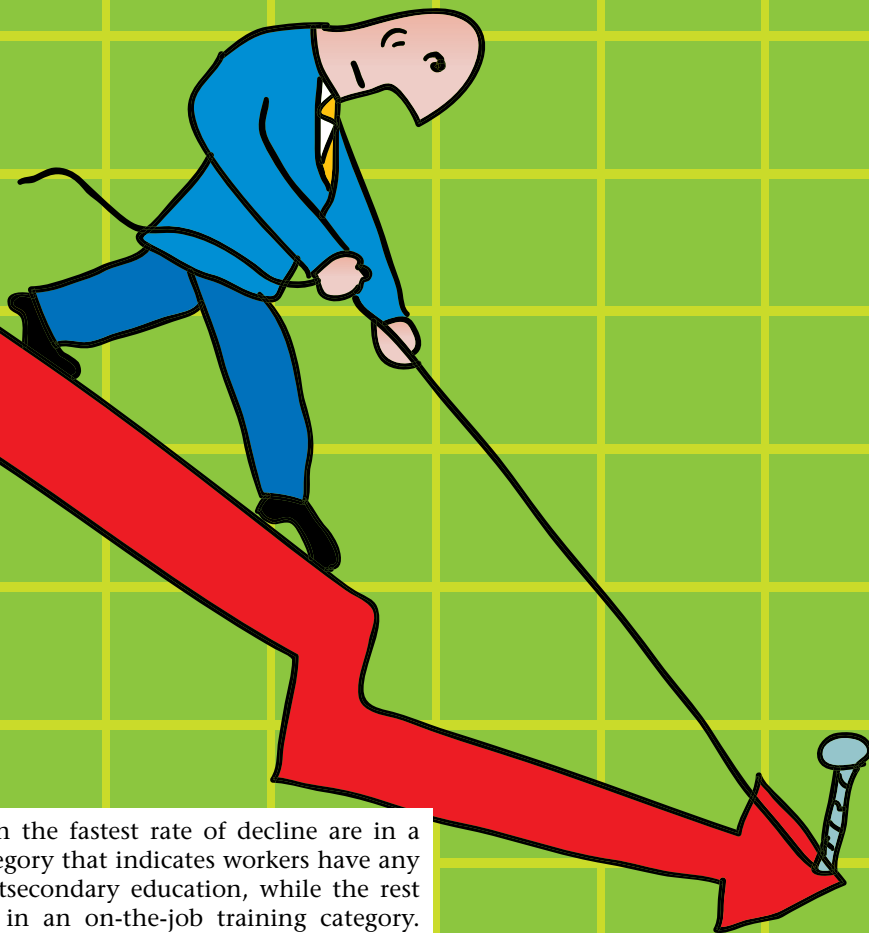
## Is it true

that Utah women leave the workforce to care for their children?

\*25 years and older.  
Source: U.S. Census Bureau; American Community Survey, 2008.

# Occupations

on the Decline



**W**hen was the last time you encountered a phone line installer, a meter reader or a gas station attendant? When you make a purchase, how often is it done face-to-face with a sales clerk vs. from a computer to another computer. How long has it been since you saw a want-ad for a file clerk? Those occupations are following in the same disappearing footsteps as the shoe repairer, postal service mail sorters and projectionists.

One thing impacting all these occupations is technology. Technology is not the only “culprit” that can cause a decline in an occupation’s demand: changing consumer demand, changing business practices and foreign competition are others. Many consumers choose less expensive foreign-made goods over more expensive American-made products. And often, there are no American manufacturers left to compete with the imports.

Education level correlates with job growth. Only two of the occupations

with the fastest rate of decline are in a category that indicates workers have any postsecondary education, while the rest are in an on-the-job training category. In general, occupations requiring postsecondary education are expected to experience higher rates of growth than those in an on-the-job training category.

Occupations in the associate-degree category are projected to grow faster than those occupations requiring less education, at about 19 percent.

In addition, occupations in the master’s and first-professional-degree categories are anticipated to grow by 18 percent each, and occupations in the bachelor’s and doctoral degree categories are expected to grow by about 17 percent each.

All is not lost. The need for replacements in declining occupations will still provide some jobs. And with some education, an employee can enter a growing occupation. ●

## Other resources:

<http://data.bls.gov/>

[www.skilltran.com](http://www.skilltran.com)

<http://hotjobs.yahoo.com/>

<http://jobs.utah.gov/ui/Jobseeker.asp>

[readersdigest.com](http://readersdigest.com)

[zonta.org](http://zonta.org)





## Occupations with the Fastest Decline

Occupation	Percent change	Number of jobs lost (in thousands)	Wages (May 2008 median)	Education/training category
Textile bleaching and dyeing machine operators and tenders	-45	-7.2	\$ 23,680	Moderate-term on-the-job training
Textile winding, twisting, and drawing out machine setters, operators, and tenders	-41	-14.2	23,970	Moderate-term on-the-job training
Textile knitting and weaving machine setters, operators, and tenders	-39	-11.5	25,400	Long-term on-the-job training
Shoe machine operators and tenders	-35	-1.7	25,090	Moderate-term on-the-job training
Extruding and forming machine setters, operators, and tenders, synthetic and glass fibers	-34	-4.8	31,160	Moderate-term on-the-job training
Sewing machine operators	-34	-71.5	19,870	Moderate-term on-the-job training
Semiconductor processors	-32	-10.0	32,230	Postsecondary vocational award
Textile cutting machine setters, operators, and tenders	-31	-6.0	22,620	Moderate-term on-the-job training
Postal Service mail sorters, processors, and processing machine operators	-30	-54.5	50,020	Short-term on-the-job training
Fabric menders, except garment	-30	-0.3	28,470	Moderate-term on-the-job training
Wellhead pumpers	-28	-5.3	37,860	Moderate-term on-the-job training
Fabric and apparel patternmakers	-27	-2.2	37,760	Long-term on-the-job training
Drilling and boring machine tool setters, operators, and tenders, metal and plastic	-27	-8.9	30,850	Moderate-term on-the-job training
Lathe and turning machine tool setters, operators, and tenders, metal and plastic	-27	-14.9	32,940	Moderate-term on-the-job training
Order clerks	-26	-64.2	27,990	Short-term on-the-job training
Coil winders, tapers, and finishers	-25	-5.6	27,730	Short-term on-the-job training
Photographic processing machine operators	-24	-12.5	20,360	Short-term on-the-job training
File clerks	-23	-49.6	23,800	Short-term on-the-job training
Derrick operators, oil and gas	-23	-5.8	41,920	Moderate-term on-the-job training
Desktop publishers	-23	-5.9	36,600	Postsecondary vocational award

SOURCE: BLS Occupational Employment Statistics and Division of Occupational Outlook

# Wage Growth



Rural counties are receiving an ever-increasing slice of the economic pie.

# in Rural Utah

According to the United States Department of Agriculture (USDA), the earnings gap between urban and rural areas across the entire U.S. widened from 1979 to 2004. While the average annual nonmetropolitan wage was 80.9 percent of the average annual metropolitan wage in 1979, it fell to 67 percent by 2004. This paints a picture of rural counties receiving an ever-shrinking slice of the economic pie.

Have rural counties in Utah experienced slower wage growth than urban counties? Looking at wage data from 2001 to 2009, the situation in Utah is much different than for the U.S. Before discussing the data, we need to clearly define the terms “urban” and “rural.”

### The Urban/Rural Distinction

The distinction between urban and rural areas can be defined in dozens of different ways. The USDA uses a definition based on the geographic boundaries, the Census Bureau focuses on population density per square mile, and some economic definitions take into consideration the possibility of workers commuting from less populated areas to large cities. Which definition is correct?

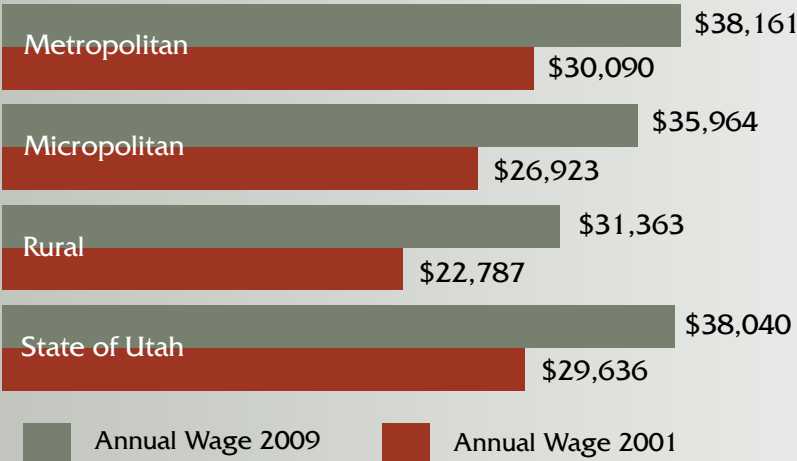
There is no “correct” definition for differentiating urban from rural, but one might be more or less useful for some purpose. Because wage data is typically aggregated at the county level, a useful definition is one that classifies whole counties as urban or rural. The U.S. Office of Management and Budget (OMB) developed the definitions used here and they classify counties as metropolitan, micropolitan, or neither. A metropolitan area includes one or more counties around an urbanized area of more than 50,000 people and a micropolitan area includes one or more counties around an urbanized area between 10,000 to 50,000 people. The OMB does not refer to rural counties as neither metropolitan nor micropolitan, but they will be referred to as such for convenience. The table shows all of Utah’s 29 counties classified according to these definitions.

### County Wage Growth

As the graph reveals, the annual wage in 2001 was highest in metropolitan counties and lowest in rural counties, with micropolitan counties falling in between. This same pattern held true in 2009. We can see that rural wages are still lower than urban wages. But how have wages changed over time?


*continued on page 24*

Annual Wages for Metropolitan, Micropolitan, and Rural Counties • 2001 and 2009

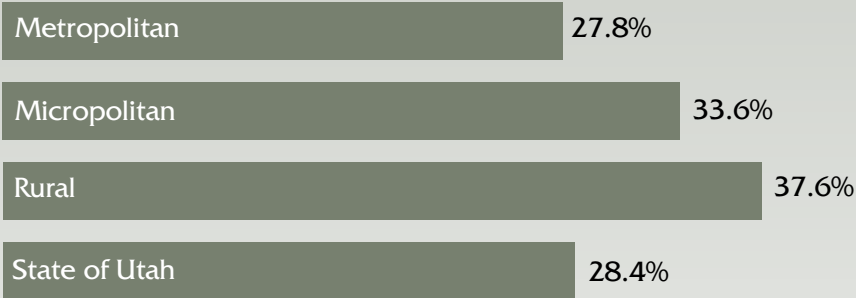


Metropolitan Counties	Cache, Davis, Juab, Morgan, Salt Lake, Summit, Tooele, Utah, Washington, and Weber Counties
Micropolitan Counties	Box Elder, Carbon, Iron, and Uintah Counties
Rural Counties	Beaver, Dagget, Duchesne, Emery, Garfield, Grand, Kane, Millard, Piute, Rich, San Juan, Sanpete, Sevier, and Wayne Counties

Source: Utah Department of Workforce Services.

Between 2001 and 2009, wages grew fastest in the rural counties and slowest in the metropolitan counties (see graph). Micropolitan counties also experienced higher wage growth than the metropolitan counties. As we can see, wages in rural and micropolitan counties are catching up to those in metropolitan counties. Whereas the rural-metropolitan wage gap was 24.3 percent in 2001, it shrank to 18.5 percent in 2009. In contrast to the finding for the U.S., rural counties in Utah are receiving an ever-increasing slice of the economic pie. 

Wage Growth from 2001 to 2009



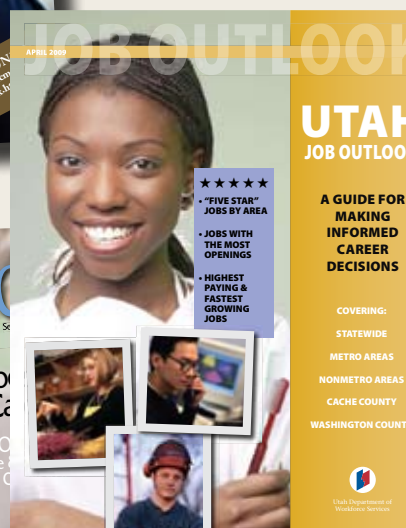
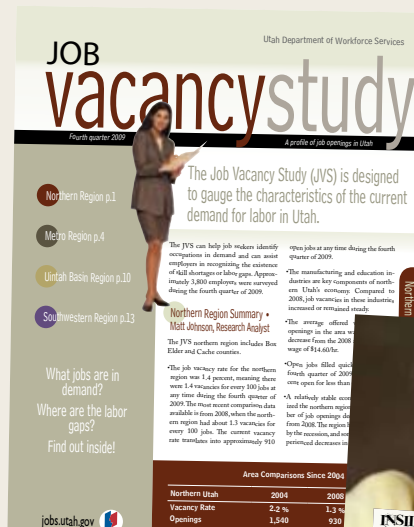
Source: Utah Department of Workforce Services.



Metropolitan Counties	Cache, Davis, Juab, Morgan, Salt Lake, Summit, Tooele, Utah, Washington, and Weber Counties
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It's all online...



jobs.utah.gov

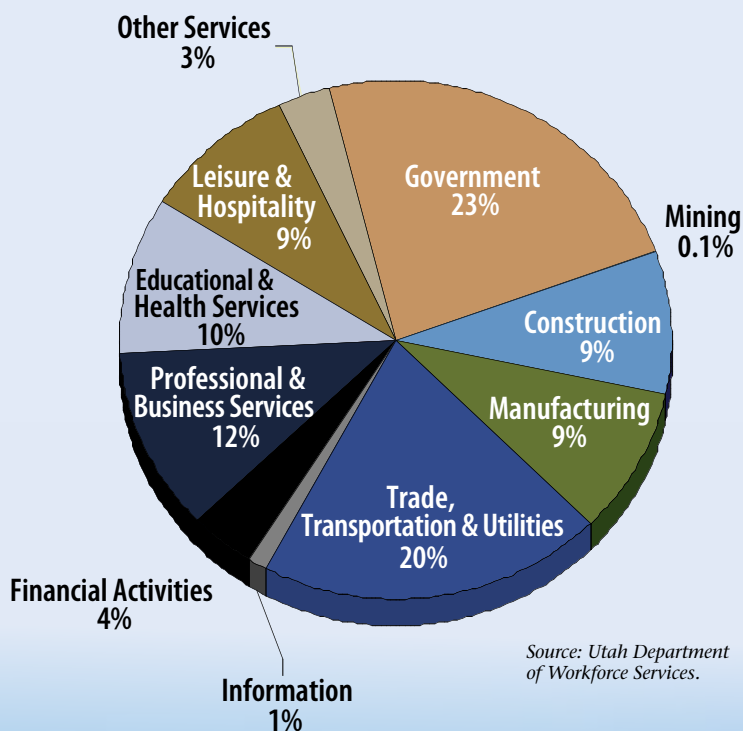
# Davis County

Davis County is the smallest county in physical size, yet ranks third in population and third in nonfarm jobs in the state. The industry mix of jobs is nearly identical to the state with one notable exception. The largest industry in the county is government, including Hill Air Force Base. Over 20,000 people go to work every day on the base. These workers are a mix of federal government civilians, military, and private sector contractors. The base has been a stabilizing force to the Davis county economy making the impact of the recession less painful than in other counties in the state. Where 17 percent of workers in the state are on government payrolls, in Davis county 23 percent of the workers are in government. ⓘ

For more information, enter the link below and select Davis County:

<http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>

2008  
Davis County Jobs Distribution by Industry



Source: Utah Department of Workforce Services.



just  
the  
facts...

### April 2010 Unemployment Rates

Utah Unemployment Rate	7.3 %
U.S. Unemployment Rate	9.9 %
Utah Nonfarm Jobs (000s)	1,187.1
U.S. Nonfarm Jobs (000s)	130,108.0

### Changes From Last Year

Up	0.6 points
Up	1.0 points
Down	0.6 %
Down	1.0 %

### April 2010 Consumer Price Index Rates

U.S. Consumer Price Index	218.0	Up	2.2%
U.S. Producer Price Index	179.6	Up	5.5%

Source: Utah Department of Workforce Services

### April 2010 Seasonally Adjusted Unemployment Rates

Beaver	8.9 %
Box Elder	8.2 %
Cache	5.0 %
Carbon	7.5 %
Daggett	6.5 %

Davis	6.5 %
Duchesne	7.5 %
Emery	7.4%
Garfield	10.2 %
Grand	9.8 %

Iron	8.4 %
Juab	9.4 %
Kane	7.6 %
Millard	6.2 %
Morgan	7.2 %

Piute	6.4 %
Rich	5.7 %
Salt Lake	6.8 %
San Juan	12.5 %
Sanpete	8.2 %

Sevier	7.8 %
Summit	7.5 %
Tooele	7.7%
Uintah	7.2 %
Utah	6.9%

Wasatch	8.7 %
Washington	9.4 %
Wayne	8.8 %
Weber	7.9%

Watch for these features in our  
**Next Issue:**

**Theme:**  
Online Economic Resources

**County Highlight:**  
Daggett

**Occupation:**  
Writer/Editor

Utah Department of Workforce Services  
Workforce Development and Information Division  
140 E. 300 S.  
Salt Lake City, UT 84111

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## Utah's Best Companies to Work For

The Utah Department of Workforce Services is pleased to announce the winners of the 2010 Utah Work/Life Awards.

### LARGE CATEGORY:

•1-800 CONTACTS\*

- Automated Data Processing, Inc.
- InterContinental Hotels Group
- Nicholas & Co., Inc. \*

### MEDIUM CATEGORY

- Ace Disposal
- CLEARLINK
- CyberSource Corporation
- Futura Industries\*
- Goldenwest Credit Union



### MEDIUM CATEGORY CONT.

- Intermountain Financial Group/Mass Mutual
- Marriott Vacation Club International Owner Services
- Pepsi Beverages Company
- Spillman Technologies
- Tanner LC
- Thomas Arts

### MICRO CATEGORY

- Cirque Corporation
- Executech
- Fehr & Peers
- The Intrepid Group
- Utah Foster Care Foundation\*

*\*Denotes legacy companies that have won the award for at least five years.*

**more at [jobs.utah.gov](http://jobs.utah.gov)**

